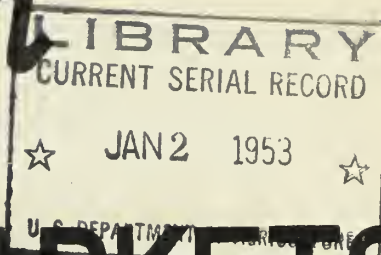


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Foreign CROPS AND MARKETS



VOLUME 65

NUMBER 25

DAIRY PRODUCTS (Page 568)OLIVE OIL (Page 571)

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UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON 25, D.C.

L A T E N E W S

The British Ministry of Foods on November 28 contracted with Greek exporters to purchase 27,225 short tons of the 1952 currant crop, the tonnage to be made up about as follows: Amalias 6,600 tons, Gulf 3,850 tons, Patras and Zakynthos 3,850 tons, Pyrgos 6,600 tons and Vostrza 6,325 tons.

It is reported the f.o.b. prices at the follow posts Aeghion, Katakolon and Patras was £75/14/9 per metric ton. This is about \$192.80 per United States ton f.o.b. Greek ports. It is reported 6,600 tons are to be delivered before December 28 and the balance before March 16, 1953. The currants are to be packed in 22.5 kilograms wooden boxes (about 49.6 U.S. pounds). Greek exporters hope to conclude another contract with the British for approximately 16,500 tons. If successful this would bring the sales of the 1952 crop of Greek currants to the United Kingdom close to sales in 1951, which are reported to have totaled 44,000 tons. The Trade believes the 1952 currant pack will be about 84,700 tons, of which 68,200 tons are expected to be of exportable grade. Sales into export channels from the 1952 pack to date total 35,200 short tons including 27,225 tons to the United Kingdom.

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The Venezuelan Government, acting through the Banco Agrícola y Pecuario, has agreed to purchase all locally-grown cotton from the 1952-53 crop offered to it at the following prices: 3.65 bolivares per kilogram (49.83 cents a pound) for Grade A, 3.35 bolivares (45.74 cents) for Grade B, and 3.08 bolivares (42.05 cents) for Grade C.

(Continued on Page 582)

FOREIGN CROPS AND MARKETS

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WORLD PRODUCTION OF DAIRY PRODUCTS, THIRD QUARTER, 1952 1/

The shift in utilization of manufacturing milk supplies from butter to other dairy products reported earlier continued in the third quarter of 1952. Factory butter production was down in this period, compared with a year ago, but output of all other dairy products increased.

Conditions in the Southern Hemisphere were generally favorable for milk production. In Western Europe, hot, dry weather and some reduction in cow numbers curtailed milk output in several of the major producing countries. Feed and pasture conditions in Canada, together with a slight rise in cow numbers, aided milk production, while in the United States, a reverse situation occurred.

Butter production in factories declined about 2 percent in the third quarter of 1952, compared with the same quarter of 1951. Output increased substantially in Australia, conditions in most of the important dairy States being favorable to production throughout most of this period. In New Zealand, the higher butter output was attributed to the improved producing conditions over a year earlier.

Unfavorable weather in Western Germany curtailed third quarter milk production and butter output declined. In Denmark, lower milk production was reflected in the smaller quantity utilized for butter. Output was below last year's level in the Netherlands, good market possibilities diverting large quantities of milk to the manufacture of other products.

Production of butter in Canada was higher than last year due not only to the rise in total milk production, but also to the diversion of manufacturing supplies. In the United States, lower milk production and continued high fluid milk consumption were contributing factors in the decline in butter output in this quarter.

Cheese production showed a slight gain in the period under review, compared with a year ago. Both Australia and New Zealand reported increased production in the third quarter, larger quantities from the higher milk production being available for cheese manufacture. In Denmark and the United Kingdom, considerably larger amounts were utilized for cheese in this quarter. Less milk was available for cheese production in the Netherlands, due to the continued good demand for other dairy products.

In Canada, cheese output continued to decline, the situation created by the absence of a cheese contract with the United Kingdom and by restrictions on imports of Canadian cheese into the United States.

1/ A more extensive statement will soon be published as a Foreign Agricultural Circular available from the Office of Foreign Agricultural Relations, U. S. Department of Agriculture, Washington 25, D. C.

DAIRY PRODUCTS: Output in principal producing and exporting countries,
3rd quarter (calendar) 1952, with comparisons

Country and Product	Average	1951		1952		1st quarter	2nd quarter	3rd quarter	Third Quarter 1952/51 Percent
		Total	3rd quarter	4th quarter	1st quarter				
			1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	
Butter									
Canada	1/	254,774	99,875	47,549	27,138	93,084	106,352	106	
United States	2/	1,212,423	347,598	225,275	246,715	369,805	325,695	94	
Belgium	2/	46,179	24,350	15,855	12,302	—	—	—	
Denmark	2/	400,660	101,191	75,618	70,988	100,310	91,711	91	
France 4/	5/	529,000	—	—	—	—	—	—	
Germany, Western	10/	560,000	179,783	140,382	125,933	178,969	168,680	94	
Ireland	2/	89,400	32,425	14,643	3,738	25,612	32,243	99	
Netherlands	2/	201,000	56,167	34,088	25,560	51,162	48,497	86	
Norway	2/	24,930	7,683	3,055	4,051	8,623	—	—	
Sweden	2/	152,769	69,617	46,899	44,237	58,070	—	—	
Switzerland 8/	2/	57,760	17,295	9,944	9,261	15,109	—	—	
United Kingdom	2/	44,200	3,136	1,120	2,051	9,453	3,405	109	
Argentina	2/	65,742	11,427	20,666	27,558	22,046	—	—	
Union of South Africa	2/	27,725	11,978	17,227	19,097	13,996	—	—	
Australia	2/	415,250	62,032	104,919	71,998	55,615	74,597	120	
New Zealand - total	2/	366,912	72,576	173,936	137,536	38,326	80,640	111	
Export Gratings	10/	322,796	54,089	153,619	120,302	28,327	61,484	114	
Cheese									
Canada	1/	119,924	38,424	14,629	3,880	22,481	27,034	70	
United States	2/	643,234	332,171	212,675	225,035	380,200	333,635	100	
Denmark	2/	68,820	46,516	31,305	33,730	61,288	56,658	122	
France 11/	5/	584,000	—	—	—	—	—	—	
Italy 11/	5/	523,518	—	—	—	—	—	—	
Netherlands	5/	200,000	86,390	53,534	38,552	98,547	85,103	98	
Norway 12/	2/	39,067	18,361	10,319	13,913	22,835	—	—	
Sweden	2/	76,059	33,227	21,437	25,097	44,621	—	—	
Switzerland 12/	2/	111,729	39,220	33,605	16,428	35,913	—	—	
United Kingdom 4/	2/	109,000	30,240	9,498	24,461	44,666	36,333	120	
Argentina	2/	67,873	31,484	58,835	66,138	48,501	—	—	
Union of South Africa	2/	10,195	4,170	5,695	5,902	4,810	—	—	
Australia	2/	48,400	22,010	39,165	18,556	10,841	24,893	113	
New Zealand - total	2/	210,911	32,279	92,781	61,501	18,906	35,840	111	
Export Gratings	10/	204,110	17,881	86,739	72,809	27,015	20,045	112	

by Congressional Amendment resulted in a diversion of milk from cheese making to butter and nonfat dry milk solids. Cheese production in the United States in the July-September quarter of 1952 was maintained at approximately the 1951 level.

Canned milk (evaporated and condensed) production in the third quarter of 1952 rose about 3 percent over the corresponding quarter of the preceding year. In the Netherlands, output in this period was considerably in excess of comparable 1951, due to both good markets and satisfactory prices. Production also increased in the United Kingdom and Canada. Output in Australia and the United States declined slightly below that of the earlier year.

Total dried milk production was up 11 percent in the third quarter of 1952, compared with the same quarter of 1951. Substantial increases occurred in all reporting countries. In the Netherlands, the marked rise was attributed to the heavier production of dried whole milk, while in both Canada and the United States, increased output of nonfat dry milk solids accounted for the overall gain in dried milk production in this quarter.

Prospects for milk production in the Southern Hemisphere are favorable. With the arrival of warm spring weather in Australia, output of dairy products is increasing steadily. Rainfall in New Zealand has been more than adequate, and pastures have responded well. Stock are in good condition.

Widespread and heavy rains in some parts of Continental Europe improved pastures considerably and the incidence of foot-and-mouth disease is reported to be less severe.

An increase in milk production in Canada in 1953 is expected. Dairy men are reported to have been building up their herds, and in addition, the relationship between prices of beef and milk has been becoming more favorable to dairy production.--By Regina M. Murray, based in part upon U. S. Foreign Service reports.

MEDITERRANEAN BASIN OLIVE OIL PRODUCTION DOWN SHARPLY

Olive oil production from the 1952 olive crop in the Mediterranean Basin is forecast by the Office of Foreign Agricultural Relations at 780,000 short tons or less than one-half the record 1.6 million-ton estimate of production from the 1951 crop. This volume of oil also would represent about 125,000 tons less than the 1945-49 average output and about 190,000 tons less than the prewar average but would be substantially above the short crops of 1948 and 1950. These estimates represent the total oil pressed including allowances made for consumption by growers in countries reporting only commercial production.

The sharp reduction from last year's abundant oil outturn is explained by the fact that this year of normal low production in the 2-year cycle characteristic of olive production was also one of unfavorable weather and excessive insect infestation.

OLIVE OIL 1/: Estimated production in the Mediterranean Basin,
averages 1935-39 and 1945-49, annual 1949-1952

(Short tons)

Country	Average		1949	1950	1951	1952 2/
	1935-39	1945-49				
Europe						
France.....	8,000	7,000	11,500	10,000	13,000	7,000
Greece.....	131,500	132,540	247,500	42,000	154,300	75,000
Italy.....	256,000	189,800	220,000	188,500	389,100	165,000
Portugal.....	64,000	67,460	108,600	44,200	116,500	42,500
Spain.....3/	357,400	365,200	427,600	200,000	770,000	300,000
Yugoslavia...3/	5,900	4,020	7,400	1,000	3,200	2,400
Middle East						
Israel.....4/	7,000	2,500	2,000	-	200	1,500
Syria.....	12,500	14,900	11,000	4,400	5,500	-
Lebanon.....	12,500	7,200	7,700	2,200	6,500	5,500
Turkey.....	44,000	38,000	42,000	50,000	40,000	50,000
Africa						
Algeria.....	20,000	17,600	19,500	20,500	28,000	22,000
French Morocco 3/	13,000	14,660	16,500	13,000	27,000	13,000
Tunisia.....	49,300	42,300	115,700	44,000	55,000	82,500
Libya.....	2,600	3,000	9,000	8,500	4,000	9,000
Total.....	971,200	906,180	1,246,000	628,100	1,612,300	780,000

1/ Total oil pressed from olives grown in the years indicated; excludes oil extracted from residue. 2/ Preliminary. 3/ Average of less than 5 years.

4/ Territory formerly known as Palestine.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, results of office research, and other information.

The most significant decreases from last year are expected in Italy, Spain, Portugal and Greece where production likely will be down from 50 to 65 percent. These 4 countries normally account for around 80 percent of the total Mediterranean Basin olive oil production. In 1951, however, this area was the origin of almost 90 percent of the oil produced. Spain's output this season is estimated at 300,000 tons or about 40 percent of the total in contrast to 770,000 tons or almost one-half the total oil from the 1951 crop. Sizable decreases also are expected in French Morocco, Algeria, France and some smaller producing countries. In contrast, production reportedly is up 50 percent in Tunisia and 25 percent in Turkey.

Heavy stocks from the record crop of 1951, probably exceeding 500,000 tons as of November 1, 1952, insure a sufficient supply of olive oil for local requirements and for export demand in 1953, despite the expected low production.

With the prospects of a short crop, prices have increased somewhat in most areas. The uncertainty in respect to the actual stock situation has been an important factor in limiting price increases. North African prices, however, are reported up sharply. Exports from North Africa and from Italy also have been up sharply in 1952. Shipments from Spain, in contrast, have been slow, totaling only 11,483 tons through September against 23,290 in the year 1951 and 39,118 tons in 1950.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. It is based in part upon U.S. Foreign Service reports.

SPAIN ABANDONS FIXED OLIVE OIL PRICE AND PRICE CONTROLS

The Government of Spain has abandoned the policy of a fixed price for olive oil and announced freedom from price controls for olive oil exports retroactively effective December 3. This does not mean that oil may be exported at any price agreed upon between buyer and seller. Rather, the Ministry of Commerce will issue export licenses at agreed prices if they are considered reasonable and in keeping with current quotations in world markets.

Lack of price flexibility under the previous system of fixing a definite price for an entire season was unsatisfactory and the new system eliminates one cause of dissatisfaction among oil shippers.

It is reported unofficially that the first export licenses under the new arrangements authorized on December 12 were issued at a price of about \$560 per metric ton compared with the previous fixed price of \$620.

PHILIPPINE COPRA EXPORTS CONTINUE DOWNWARD TREND 1/

Philippine exports of copra and coconut oil during November 1952 amounted to 52,866 and 5,525 long tons, respectively. Copra shipments were down 18 percent from October and were the smallest since August; coconut oil shipments were 30 percent less than the previous month and represented the smallest monthly volume of the year. On a copra basis, January-November exports totaled 718,050 tons or roughly 10 percent less than the comparable figure (816,640) for 1951.

November copra shipments were consigned as follows: United States--25,650 tons (Pacific--16,008, Atlantic--6,711, Gulf--2,931); Canada--1,000; Belgium--3,000; Denmark--1,900; Germany--2,500; Italy--1,000; Netherlands--9,797; Norway--2,000; Sweden--1,720; Japan--299; Israel--400; and Europe unspecified--3,600 tons. Coconut oil exports went to: the United States--5,105 (Atlantic) and Belgium--420 tons.

1/ A review of the Philippine Copra Situation for the third quarter of 1952 will be published soon as a Foreign Agriculture Circular by the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D.C.

The copra export price as of mid-December was reported at \$186 per short ton c.i.f. Pacific compared with \$195 as of mid-November. Local buying prices were 32-33 pesos per 100 kilograms (\$163-\$168 per long ton) in Manila and 31-34.50 pesos (\$157-\$175) in producing areas.

MEXICO'S OILSEED OUTPUT DOWN SLIGHTLY IN 1952

Mexico's supply of fats and oils continues well above that of recent years, although domestic production of vegetable oilseeds in 1952, estimated at 817,800 short tons, is somewhat below the 848,700-ton 1951 out-turn, reports Paul G. Minneman, Agricultural Counselor, American Embassy, Mexico City. The decline in 1952 occurred mainly in cottonseed and flaxseed due to drought and a resulting decrease in area harvested. Sesame, peanuts, and copra showed substantial production increases. It is estimated that of the 1952 peanut crop about 54 percent will be available for export, about 38 percent will be used by domestic crushers, and about 8 percent for direct domestic consumption and seed.

MEXICO: Production of vegetable oilseeds,
average 1945-49, 1950, 1951, and estimates for 1952

(1,000 short tons)

Oilseed	1945-49	1950	1951 1/	1952 2/
Cottonseed.....	222.8	488.3	534.6	463.0
Sesame seed.....	76.3	88.2	95.9	110.2
Flaxseed.....	3/ 39.8	3/ 58.4	3/ 66.1	3/ 55.1
Peanuts, unshelled.....	37.4	70.5	75.0	99.2
Copra.....	30.9	50.7	54.0	66.1
Palm kernels.....	11.0	11.0	13.2	13.2
Castor beans.....	3.1	2/ 4.4	3.3	4.4
Rapeseed.....	4/ 2/	6.6	2/ 6.6	6.6

1/ Data for 1951 are official preliminary unpublished. 2/ Embassy estimates. 3/ Equivalent in 1,000 bushels: 1945-49--1,421; 1950--2,086; 1951--2,362; 1952--1,968. 4/ Data not reported.

Ministry of Agriculture, Mexico.

Imports of fats, oils, and oilseeds into Mexico during the first 9 months of 1952 totaled 50,226 tons as compared with 40,800 tons during the entire year of 1951. Imports of industrial animal fats--21,530 tons--and cottonseed oil--12,786--were about double those during 1951. Lard imports of 10,206 tons were at about the same rate as last year. The relatively lower price of United States animal fats has encouraged importation. CEIMSA, the semi-official agency for maintaining supplies of essential commodities, recently announced that it is importing an additional quantity of lard of about 1,650 tons. Cottonseed imports of 4,462 tons are largely for planting rather than crushing.

Exports during January-September 1952 have been limited almost entirely to flaxseed and shelled peanuts with 19,040 tons (749,564 bushels) and 13,236 tons, respectively, being exported. In both cases the rate of exports was slightly greater than in 1951.

Prices of copra, palm kernels and cottonseed in Mexico City, as of September 1952, were well below the average prices of 1951, while sesame seed prices were about the same. Peanut and flaxseed prices, the 2 oilseeds exported in appreciable quantities, were higher. Some further decline has taken place in oilseeds since September. Prices early in December in producing areas were lower than the prices indicated for Mexico City in September. Cottonseed was being quoted in producing areas at 360 to 450 pesos per metric ton (\$38 to \$47 per short ton) and sesame seed at 1,100 to 1,250 pesos (\$116 to \$132).

Vegetable oil prices in September were well below the 1951 average. Early in December importers reported that the c.i.f. Mexico City cost of imported crude cottonseed oil was about 3.13 pesos per kilogram (16.5 cents per pound) compared with 2.45 pesos (12.9 cents) for domestic crude oil. In the case of lard, however, the situation is reversed. The wholesale price of lard imported from the United States is 3.50 pesos per kilogram (18.3 cents per pound) as compared with 4.37 pesos (23.0 cents) for domestic lard.

On the basis of present price relationships, it appears advantageous to Mexicans to import as much United States lard as the government will permit. On the other hand, it is unlikely that further significant quantities of vegetable oils will be imported soon because domestic supplies are adequate and prices are lower than the imported product.

Mexico's output of principal oilseeds is expected to be maintained or increased in 1953. Average weather conditions would result in an increased production of cottonseed; copra plantings are being increased; and experience with sesame, peanuts and flaxseed has been satisfactory generally, except in drought areas. A continued export surplus of flaxseed and peanuts is anticipated.

URUGUAY'S EXPORT POLICY FOR 1952-53 FLAXSEED CROP

The National Executive Council of Uruguay has announced by decree the government's policy for the export of flaxseed, linseed oil and by-products for the forthcoming 1952-53 crop, reports Dale E. Farringer, Agricultural Attache, American Embassy, Montevideo. The new decree reinstates the former export ratio of one and one-half tons of flaxseed to one ton of linseed oil, and in effect, abolishes last year's export quota of 50,000 metric tons of flaxseed (approximately 1,968,400 bushels). The decree not only pertains to the disposition of the new crop (preliminarily estimated at about 120,000 short tons--4,251,700 bushels) but also includes the carry-over on December 1, 1952, from the previous (1951-52) crop estimated by a leading trade source as follows: flaxseed--33,000 tons--1,181,000 bushels; linseed oil--3,500-4,500 tons.

The Government's action in restoring the one and one-half to one export ratio is in response to protests launched by crushers since the 50,000-ton seed quota (35 percent of the 1951-52 crop) was implemented last February. Since that time most of the crushing mills (approximately 40) have been idle and at present it is reported that only 10 mills are in operation.

The new decree permits the Bank of the Republic to shift export exchange rates as it may see fit in compliance with present legislation. The rate of 1.519 pesos to the dollar, or its equivalent in other currencies, still applies to flaxseed exports, while linseed oil, cakes, expellers and meal carry the 1.78 rate.

To dispose of last season's carry-over, government officials and private traders have projected sales under barter agreements. Recently, arrangements were made to ship some 4,960 short tons of linseed oil to Switzerland in exchange for rayon yarns and aniline dyes (approximate value: yarn, \$1 million; dyes, \$500,000). At present, negotiations are under way for an additional 1,650 tons of oil in barter for watches. It is understood that although these shipments will be consigned to Switzerland, they will not necessarily be consumed there. Apparently a large part of the oil will be available for resale to other European buyers in a position to offer free market dollars.

It is also reported that private traders in the United Kingdom are negotiating for approximately 3,300 tons of linseed oil at £100 per metric ton (\$254 per short ton). Both Uruguayan Government officials and private exporters are anxious to dispose of the last crop since the new harvest will begin in the more advanced growing districts at the end of this month. Farmers, who have been holding flaxseed stocks awaiting an upturn in prices, are now anxious to sell because: (1) the impact of the new crop will soon be felt and storage space will be needed; and (2) the Bank of the Republic is pressing growers for settlement of loans on the last crop.

Uruguay's exports of vegetable fats and oils, January-October 1952, were as follows: flaxseed--200,461 bushels; linseed oil--22,068 short tons; sunflower seed oil--4,278 tons; and oilcake and meal--47,219 tons. By far the greater part of these quantities were destined for Western European countries.

GERMAN BUNDESRAT PROPOSES TAX REDUCTION ON TOBACCO PRODUCTS

There has been introduced in the German Congress a proposal to provide the following tax reduction on tobacco products: cigars from 28 - 33 percent to 25 percent of the retail price; cigarettes from 58 percent to 55 percent of the retail price; smoking tobacco from 53 percent to 47-2/3 percent of the retail price. The German tobacco industry hopes that final action will be taken in January on the above proposal with an effective date of April 1, 1953.

TURKEY'S WINTER WHEAT SEEDING DELAYED

Winter wheat seeding has been delayed by lack of rainfall in parts of Turkey, according to the American Embassy, Ankara. The principal area affected is the important wheat-producing Central Plateau region. Seeding is done, customarily, after fall rains, in order that the soil may be prepared adequately for the seeding operation. This fall, however, rains came late on the Central Plateau and seeding could not get underway until early November. It is too early to determine if there will be any long-range effects from the delayed seeding.

The late sowing, which may mean retarded germination and slow growth, could make the crop more than usually vulnerable to winter-kill. It appears that wheat regions other than the Central Plateau were able to carry out fall seeding programs largely on schedule.

NETHERLAND'S BREAD SUBSIDY TO BE DISCONTINUED

The Ministry of Agriculture of the Netherlands has announced that at an early date the present subsidy on the so called "peoples" bread or "Government" bread will be discontinued, according to the American Embassy, The Hague. With the end of the Government subsidy the Ministry also plans to abolish the levy now collected on higher grades of flour, both imported and domestically milled.

Under the existing system cheaper types of bread are subsidized from an Agricultural Equalization Fund. The subsidy is paid to local flour mills, enabling them to sell the lower grades of flour to bakeries at a fixed low price. Funds for the subsidy are obtained through imposition of the levy on higher grades of flour. Thus the flour mills pay to the fund on their sales of the more expensive flour types used for "luxury" bread and in the manufacture of pastry products, for both domestic consumption and for export.

With the discontinuance of the subsidy and the levy, the higher price charged for "people's" bread and the lower grades of flour will be accompanied by a decline in the retail price for the higher grades of bread and flour, as well as for pastry items.

Under the new regulation, flour mills will continue to purchase wheat from the Government at a fixed price for all shipments. This price is reportedly above the actual cost of the wheat in most cases, so that the Government in effect makes a small profit on the transaction. Moreover, a levy to defray administrative costs of the Control Board for Feeds and Grains will continue to be collected on all wheat, imported or domestic, purchased by flour mills.

ARGENTINA'S NEW WHEAT CROP IN ACTIVE DEMAND

Argentina's 1952 wheat crop, harvesting of which is now under way, is expected to provide an exportable surplus of 3,000,000 metric tons (110 million bushels), according to a recent report to the Office of Foreign Agricultural Relations from C. A. Boonstra, Agricultural Attache, American Embassy, Buenos Aires. The actual surplus may vary somewhat from this figure, depending on the final estimate of the size of the crop, extraction rate for flour, and steps that may be taken for reestablishing a protective wheat-stock carry-over.

At least half of the estimated exportable surplus of 110 million bushels can be considered as already having been committed by the Argentine Trade Promotion Institute (IAPI), and foreign markets are readily available for the balance. The chief marketing problem faced by Argentina is whether to place wheat against badly needed imports of goods or to apply it against the payment of existing debts abroad. Exports of wheat during the 1951-52 marketing season (December-November) ceased entirely in May 1952 because of short supplies resulting from acreage reduction and drought. Total exports, as a result, were at one of the lowest levels on record, having amounted to only 3,800,000 bushels. Before the War (1934-35 through 1938-39), they averaged 117 million bushels annually.

A firm commitment has already been made to ship 255,000 tons during the current marketing season to India in exchange for 40,000 tons of burlap. Negotiations are in progress relative to wheat to be shipped to Brazil against Argentina's outstanding debt, and Brazil is reported as eager to obtain as much as 1,200,000 tons. Argentina, however, prefers to sell wheat for new revenues rather than deliver it in payment for debts, and thus may try to limit its commitments to Brazil to only 500,000 tons.

An existing agreement with Italy calls for the delivery of 300,000 tons, and reportedly Italy would like to take an additional 500,000 tons as provided for in its trade agreement with Argentina.

Neighboring countries in South America, other than Brazil, are considered as sure markets for 300,000 tons, and various European countries, anxious to liquidate trade agreement balances against Argentina, could easily take 500,000 tons if Argentina is willing to sell it to them.

Japan appears interested, and India is expected to be willing to take additional quantities on the basis of a wheat-jute exchange.

LARGE INCREASE IN ARGENTINE GRAIN EXPORT AVAILABILITIES INDICATED

Because of increased acreages, generally favorable growing conditions, and a substantially higher level of guaranteed prices, Argentine grain export availabilities during that country's 1952-53 marketing season (December-November) for wheat, rye, oats and barley, and during its 1953-54 marketing season (April-March) for corn, are expected to show large increases over the low levels of recent years.

On the basis of recent unofficial estimates of the new wheat, rye, oats and barley crops, harvesting of which is now underway, export availabilities during the 1952-53 marketing season may reach 110 million bushels for wheat, 12 million bushels for rye, 14 million bushels for oats, and 18 million bushels for barley.

Argentina's Monthly Grain Exports for Specified Periods 1/

12-months Dec.-Nov.	Wheat	Rye	Corn	Oats	Barley
	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Average:					
1934-35/1938-39.....	116,581	4,991	240,706	23,202	12,651
1950-51.....	93,698	6,985	10,213	6,940	6,378
1951-52.....					
December.....	1,521	674	1,712	1,563	600
January.....	1,272	966	4,196	532	1,903
February.....	736	1,167	2,777	1,464	1,581
March.....	55	1,433	1,033	453	461
April.....	84	627	2,135	67	835
May.....	118	3	2,042	-	26
June.....	-	189	1,172	-	-
July.....	-	-	556	124	-
August.....	-	-	2,276	173	-
September.....	-	-	3,558	-	-
October.....	-	9	1,208	202	-
November.....	-	60	1,065	-	481
Total.....	3,786	5,128	23,730	4,578	5,887

1/ Argentina's grain marketing season runs from December through November for wheat, rye, oats and barley, and from April through March for corn.

Argentina Grain Exports during October and
November 1952 and July-November 1952
(with comparisons)

Destination	Wheat	Rye	Corn	Oats	Barley	Total
	Long	Long	Long	Long	Long	Long
	tons	tons	tons	tons	tons	tons
October 1952						
Belgium.....	-	-	8,597	-	-	8,597
Finland.....	-	214	3,091	2,884	-	6,189
France.....	-	-	9,129	-	-	9,129
United Kingdom.....	-	-	9,349	-	-	9,349
Total.....	-	214	30,166	2,884	-	33,264
October 1951.....	123,708	-	61,461	8,816	13,403	207,388
November 1952						
Belgium.....	-	-	1,968	-	-	1,968
Finland.....	-	150	4,439	-	-	4,589
France.....	-	-	6,028	-	-	6,028
Germany.....	-	1,334	-	-	-	1,334
Italy.....	-	-	591	-	-	591
Netherlands.....	-	-	6,201	-	-	6,201
Sweden.....	-	-	886	-	-	886
United Kingdom.....	-	-	6,496	-	10,310	16,806
Total.....	-	1,484	26,609	-	10,310	38,403
November 1951.....	80,045	-	51,577	4,380	51,066	187,068
July-November 1952						
Austria.....	-	-	10,137	-	-	10,137
Belgium.....	-	-	22,033	-	-	22,033
Finland.....	-	364	19,725	5,344	-	25,433
France.....	-	-	113,753	-	-	113,753
Germany.....	-	1,334	-	1,772	-	3,106
Italy.....	-	-	591	-	-	591
Netherlands.....	-	-	6,201	-	-	6,201
Sweden.....	-	-	886	-	-	886
Switzerland.....	-	-	2,165	-	-	2,165
United Kingdom.....	-	-	41,041	-	10,310	51,351
Total.....	-	1,698	216,532	7,116	10,310	235,656
July-November 1951.....	701,665	4,022	224,853	50,110	125,763	1,106,413

Any prediction of 1953-54 export availabilities for corn at this early date is hazardous since the crop will not be harvested until next March and critical growth periods are yet to come. However, on the basis of planted acreage and a continuation of favorable growing conditions until that time, an export surplus of 40 to 60 million bushels is possible.

The substantially higher level of minimum prices guaranteed by the Argentine Trade Promotion Institute (IAPI) for deliveries of new crop grain is expected to be an important incentive in encouraging farmers to sell their grain to that agency this season. These prices in pesos per 100 kilos and their equivalents in dollars per bushel are as follows: wheat, 50 pesos (\$2.72) compared with 34 pesos (\$1.85) last season; rye, 42 pesos (\$2.13) against 28 pesos (\$1.42) a year ago; oats, 38 pesos (\$1.10) compared with 25.5 pesos (\$0.74) a year earlier; barley, 43 pesos (\$1.87) against 29.5 pesos (\$1.28) last season; and corn pesos (\$2.29) compared with last season's pre-harvest guarantee of 30 pesos (\$1.52) and the actual IAPI procurement price of 40 pesos (\$2.03).

Argentine grain exports during October and November 1952 amounted to only 72,000 long tons compared with 394,000 tons during the same two months last year and consisted mainly of corn. Those shipments bring the country's 1951-52 marketing season to a close as far as wheat, rye, corn, oats and barley are concerned. Because of short supplies resulting from acreage reductions and drought, exports of grain other than corn have been insignificant for several months. Moderate quantities of corn continue to move into export channels, but the total for the 12-months ending March 31, 1953 is not likely to exceed 18 million bushels.

ARGENTINE MILK OUTPUT REGAINED

November 1952 milk production in Argentina was back to the average level for this time of year. Production has been appreciably below average levels for many months because of a serious drought last year. December and January production may exceed the average level for this season if expected late calving materializes. The annual 1952 output of milk may approximate 9,088 million pounds compared with a record of 10,224 million pounds in 1946.

Butter stocks have increased seasonally from September 1. Hard cheese holdings December 1 totalled about 24 million pounds of which nearly 3 million pounds is exportable quality ready for shipment. Casein stocks have been accumulating with the seasonally heavy output and lost markets. There were about 40 million pounds December 1 and holdings will expand quickly in coming months if no markets open up.

L A T E N E W S

(Continued from Page 567)

Exports of cotton from the United States in October amounted to 307,000 bales of 500 pounds (296,000 running bales), making a total of 669,000 (643,000 running bales) for August-October 1952. The principal destinations in October were Japan 79,000 bales, United Kingdom 43,000, Western Germany 35,000, France 34,000, Canada 27,000, Italy 14,000, Belgium 11,000, and Switzerland 11,000. A more detailed report will appear in next week's issue of Foreign Crops and Markets.

Imports of cotton into the United States in October were equivalent to 7,734 bales (of 500 pounds gross), including 3,383 from Peru, 2,555 from Mexico, 1,029 from India, 581 from Egypt, and 186 from Pakistan.

Exports of cotton linters from the United States in October amounted to 2,560 bales (of 480 pounds net), including 1,552 to Canada, 704 to France, and 304 to Western Germany. The export total for August-October is 16,882 bales.

Imports of cotton linters into the United States in October amounted to 16,841 bales (of 480 pounds net), including 7,828 from Mexico, 6,148 from Brazil, 1,144 from Western Germany, 882 from the Soviet Union, and most of the remaining 839 bales from Salvador, Peru, and Turkey. The August-October 1952 total is 57,454 bales.

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The consumption of raw cotton in Canada during November 1952 totaled 30,716 bales (500 pounds gross), a decline of 5,524 bales from October 1952 and 2,992 bales from November 1951. However, consumption during November 1952 was 19 percent above the 1935-39 base-period average.

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